

A regular meeting of the City Commission was held in the Commission Room of the City-County building, 325 Court Street, Sault Ste. Marie, Michigan on Monday, January 19, 2009 at 7:00 p.m.

The meeting was called to order by Mayor Bosbous

Present: Mayor Bosbous, Commissioner Bauer, Burton, Gerrie, Lynn, Munsell and Stefanski

Absent: None

Also Present: City Manager Nebel, City Attorney Cannello, City Clerk Robin R. Troyer, and various department heads

Mayor Bosbous called for a moment of silence for Martin Luther King Day.

Mayor Bosbous also made mention of the Presidential Inauguration which will take place on Tuesday, January 20th, 2009.

Presentation of a Humanitarian Distinguished Award to Scott Albon.

Presentation from Lynn Swartzlander's Soo Township 5th Grade class on their trip to the Lansing State Capital.

Jan Bailey, Chairperson, I-500 Project Committee presented the City Commission with I-500 buttons.

CONSENT AGENDA:

Moved by Commissioner Bauer, supported by Commissioner Stefanski

That the following consent agenda items be approved:

Minute Approval:

That the minutes of the regular City Commission meeting held on Monday, January 5, 2009 be approved as written and circulated and the minutes of the following boards and commissions received and placed on file:

- a. Planning and Development Commission – Dec. 4, 2008
- b. SSM Housing Commission – December 16, 2008
- c. Downtown Development Authority – December 17, 2008

Appointments and Resignations:

That the City Commission appoint Jennifer Dunton to server on the Dial-A-Ride Transportation Local Advisory Council to fill the remainder of a term that will expire July

January 19, 2009

1, 2009.

That City Commission reappoint Ron Meister to the Building Authority for a term to expire January 01, 2013.

That the City Commission reappoint William Dyke Justin to the Ethics & Conduct Board for a term to expire December 17, 2011.

Communications:

That the City Commission authorize the sale of alcohol at the I-500 track on February 7, 2009 for the 41st I-500 Race, subject to any rules established by the Liquor Control Commission or the City of Sault Ste. Marie for the sale of alcohol on City property.

That the City Commission approve a resolution that the request for the Sault High Devils Blue Line Club be recommended for issuance of a one-day liquor license on a military installation on February 21, 2009 by the Michigan Liquor Control Commission.

Carried: Yeas: Mayor Bosbous, Commissioner Bauer, Burton, Gerrie, Lynn, Munsell, and Stefanski
Nays: None

SPECIAL ORDERS OF BUSINESS:

PUBLIC HEARING FOR OBSOLETE PROPERTY REHABILITATION EXEMPTION CERTIFICATE:

On June 3, 2002 following a public hearing, the City Commission established an Obsolete Property Rehabilitation District within the downtown area of Sault Ste. Marie. This District acknowledges the unique problems in the redevelopment of older buildings in downtown areas.

An application for an Obsolete Property Rehabilitation Exemption Certificate has been received by the City from Dr. Richard W. Ganzhorn. Per the City's internal policy, the application was first reviewed by the Downtown Development Authority on December 17, 2008. The DDA evaluated the application based on the policies and procedures governing Obsolete Property Rehabilitation Act (P.A. 146 of 2000) in Sault Ste. Marie. Utilizing the standards for review included in this document, the DDA provided this project a score of 83 points, which would correspond to a full exemption of 12 years on property tax impacted by this Act. The City Clerk has notified other taxing entities of the application, and it is now the City's responsibility to schedule a public hearing on this matter. If granted, the Obsolete Property Rehabilitation Exemption Certificate would freeze the property value at the current level prior to the improvements.

January 19, 2009

The City Commission has to take action either approving or disapproving of the abatement not more than 60 days of receiving the application by the Clerk (December 1st). If, following the public hearing, the Commission approves the certificate, then the City Clerk shall forward a copy of the application and resolution to the State Tax Commission. The Tax Commission has 60 days to either approve or disapprove the resolution. If the City Commission does not approve the Obsolete Property Rehabilitation Exemption Certificate, then the reason shall be set forth in writing in the resolution, and the Clerk shall send, by certified mail, a copy of the resolution to the applicant and to the Assessor.

The proposed use of the former Clairmont Building as the base for new medical offices in downtown Sault Ste. Marie will certainly be a positive use of this obsolete property. Dr. Ganzhorn indicates in his application that without the Exemption Certificate being issued, the rehabilitation and construction of a 36,000 square foot medical office project will not take place.

It is also important for the Commission to evaluate this project based on other medical office buildings that are either under construction or being proposed for Sault Ste. Marie as well. While most of these projects would not meet the reuse of an obsolete structure, it is important to note that they will be taxed on the full commercial value of the project at the end of the projects. The City Commission has full authority to grant, modify, or deny this request.

At the January 5th City Commission meeting, the Commission scheduled a public hearing for the January 19th meeting to consider the Obsolete Property Rehabilitation Exemption Certificate. A resolution has been drafted and included in the packet for the Commission's consideration for granting this certificate. In order for the certificate to be valid, the developer must follow through with the construction of 36,000 square feet of medical office space utilizing the Clairmont Building and a footprint equal to (or less than) the Clairmont Building for a new addition to this structure. If the developer makes any significant changes to the project (increases or decreases square footage, changes the footprint, or changes use) then the developer will need to initiate an amendment to the Obsolete Property Rehabilitation Exemption Certificate that will be subject to review and approval by the City Commission.

City Manager Nebel believes that this project meets the requirements of the City's Obsolete Property Rehabilitation Policy. The DDA unanimously recommended the issuance of this certificate.

Notices were sent to the appropriate taxing jurisdictions. The City received a comment back from the Sault Schools and Chippewa County indicating that they approve the requested Property Exemption Certificate for G, G & G, Incorporated.

The Mayor opened the public hearing, there were no comments from the public

January 19, 2009

therefore the following action was taken:

Moved by Commissioner Lynn, supported by Commissioner Munsell

That an Obsolete Property Rehabilitation Act Exemption for real property located in the Obsolete Property Rehabilitation District of the City of Sault Ste. Marie at 146 Ridge Street be granted for a period of 12 years beginning December 31, 2009 pursuant to the provisions of Public Act 146 of 2000, as amended.

Carried: Yeas: Commissioner Bauer, Gerrie, Lynn, Munsell, and Stefanski
Nays: Commissioner Burton and Mayor Bosbous

CITY MANAGER'S REPORT:

APPROVAL OF THE I-500 LEASE:

The lease between the City of Sault Ste. Marie and the I-500, Inc. for the I-500 property has expired. It is necessary to approve a new lease for this event to continue operating on City property. City Attorney Steve Cannello met with representatives of the I-500 Project, Inc. Board of Directors to negotiate a new lease. The only change in the proposed lease from the past lease is that the former lease was for a five year period and the new lease is a month to month lease. The terms of the lease will allow the City to cancel the lease upon 30 days notice to the lessee without cause.

The City wishes the I-500 Project, Inc. well in the running of the 41st I-500, which will be held on Saturday, February 7th.

Moved by Commissioner Bauer, supported by Commissioner Burton

That City Commission approve the attached lease with the I-500 Project, Inc. for the I-500 track property.

Carried: Yeas: Commissioner Burton, Gerrie, Lynn, Munsell, Stefanski,
Mayor Bosbous, and Commissioner Bauer
Nays: None

TRAFFIC SIGNAL MODIFICATION AT I-75 BUSINESS SPUR AND MERIDIAN STREET:

The City has approached MDOT regarding the installation of signals on the east side of this intersection where the snowmobile trail crosses I-75. The City indicated to MDOT that the City would be responsible for the costs of the placement of the signals.

Recently, the Director of the Department of Transportation authorized that the signals go forth. It is City Manager Nebel's understanding that they are going to attempt

January 19, 2009

to do this work prior to the I-500 weekend if the weather permits. The work will be done by MDOT.

Moved by Commissioner Stefanski, supported by Commissioner Burton

That the City Commission authorize a not to exceed amount of \$5,000 to be paid to MDOT for work required to add a traffic signal face to the east side of the Meridian Street/I-75 Business Spur traffic signal.

Carried: Yeas: Commissioner Gerrie, Lynn, Munsell, Stefanski, Mayor Bosbous, Commissioner Bauer, and Burton
Nays: None

PRESENTATION ON STATUS OF DESIGN FOR THE FEDERAL BUILDING RENOVATIONS:

Dave Strickland, City Engineer walked the City Commission through the most recent Schematic Design and Space Planning report as provided by the City's architect for the Federal Building Renovation Project. City Manager Nebel would like to take some time to review the basic floor plans for this building with the City Commission to get any comments that the Commission may have regarding the project layout. There are a number of staff comments regarding this proposed layout that we want to share with the design firm as well as any comments the Commission may have in regards to this preliminary layout.

The City Commission had the following comments in regard to the proposed layout:

1. Computer Kiosk station is the lobby area
2. Secure display case
3. TV screen and audio in hallway for commission chambers overflow
4. Combination of EDC/Planning in the proposed layout

DISCUSSION OF LEGISLATIVE PRIORITIES FOR 2009:

The City will be participating in the annual Legislative Conference on March 4th. As done in recently years, the City has tried to identify various legislative and state priorities of the City Commission to share with legislators and state officials. These include both short-term and long-term issues for the City of Sault Ste. Marie.

Status Report:

City Manager Nebel presented the schedule for the 2009-2010 fiscal year budget.

January 19, 2009

MATTERS PRESENTED BY THE PUBLIC:

None

MATTERS PRESENTED BY THE CITY COMMISSION:

Commissioner Munsell has received positive feed back on the condition of the Algonquin Ski Trail.

Commissioner Burton raised concerns about waste being left behind by dogs and their owners and referred to an incident at the Big Bear Arena where a laser pointer was used during one of the Cabin Fever Hockey games.

Commissioner Stefanski reiterated that snowmobiles are not allowed to use sidewalks.

Commissioner Lynn mentioned the great loss of Richard Blair to the community of Sault Ste. Marie.

Moved by Commissioner Lynn, supported by Commissioner Stefanski

That the meeting adjourn at 8:48 p.m.

Motion carried unanimously.

ANTHONY G. BOSBOUS, MAYOR ROBIN R. TROYER, CITY CLERK

January 19, 2009